



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
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JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
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NADINE Y. ANDO  
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA  
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Human Services  
Tuesday, February 6, 2024  
9:30 a.m.  
Conference Room 329**

**On the following measure:  
H.B. 2739, RELATING TO ENERGY ASSISTANCE**

Chair Marten and Members of the Committee:

My name is Michael Angelo, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports this bill.

The purpose of this bill is to: (1) establish the Hawaii home energy assistance program within the Department of Human Services to assist households in paying their energy bills; and (2) establish the Hawaii home energy assistance special fund and appropriates funds.

As recognized in this bill, Hawaii's electricity rates are amongst the highest in the nation and the number of electric utility customers in arrears and facing disconnections have grown since prior to the COVID-19 pandemic. In addition, given that the federal low-income home energy assistance program (LIHEAP) is based on a formula that is not tailored to the needs of Hawaii utility customers, so much so that in fiscal year 2021-2022

Hawaii received only 0.14% of federal LIHEAP funds, the Department fully supports the establishment of state home energy assistance program as envisioned by this bill.

Based on information from the Hawaiian Electric Companies, the number of its customers eligible for disconnections due to non-payment of bills has grown significantly in just one year.

	Number of Customers Eligible for Disconnection Due to Nonpayment but Enrolled in a Payment Plan	
	Fourth Quarter of 2022 (October - December 2022)	Fourth Quarter of 2023 (October - December 2023)
Hawaiian Electric	1,134	5,101
Hawaii Electric Light	289	1,207
Maui Electric	216	845
Total	1,639	7,153

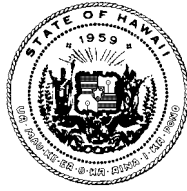
Source: Hawaiian Electric Companies' Quarterly Customer Reports, filed on February 28, 2023 and January 12, 2024, in Docket No. 2020-0209 (un-redated information).

The numbers above demonstrates the need for a state energy assistance program and the Department fully supports the establishment of such a program similar to the federal LIHEAP to provide energy assistance to more families throughout the State.

The Department especially appreciates that this state program is envisioned to be funded by the general fund and other contributions, and not through fees assessed on utility customers. Other programs that seek funding through utility rates do not adequately consider that utility rates are regressive and will increase utility bills for all customers, especially low- to moderate-income households whose energy burden will only increase. Additional fees to pay for this program would further increase the energy bills that many customers have struggled to pay and exacerbate the very problem that this program is seeking to alleviate. As currently drafted, this measure avoids placing an additional financial burden on those households that this bill would assist. Furthermore, the Department fully supports the provisions of the bill that requires the public utilities commission public benefits administrator, in conjunction with the Department of Human Services, to provide information and technical assistance to recipients of the state energy assistance program and assist them with implementing energy efficiency improvements.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



CATHY BETTS  
DIRECTOR  
KA LUNA HO'ŌKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'ŌKELE

TRISTA SPEER  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'ŌKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
Office of the Director  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 4, 2024

To: The Honorable Representative Lisa Marten, Chair  
House Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **HB 2739 – RELATING TO ENERGY ASSISTANCE.**

Hearing: Tuesday, February 6, 2024, Time 9:30 a.m.  
Conference Room 329 & Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this bill and provides comments. DHS respectfully requests that any appropriation not reduce or replace priorities identified in the executive budget.

**PURPOSE:** The purpose of the bill is to establish the Hawaii Home Energy Assistance program within the Department of Human Services to assist households in paying their energy bills. Establishes the Hawaii Home Energy Assistance special fund. Appropriates funds.

DHS currently contracts agencies in each county for the intake and eligibility determination of applications for the Hawai'i Home Energy Assistance Program (H-HEAP), federally referred to as the Low-Income Home Energy Assistance Program (LIHEAP). The total for the four contracts is just over \$500,000.

With the rising costs of utilities, Hawai'i households are often forced to prioritize their expenses, often forgoing utilities in favor of rent or food. For over 40 years, H-HEAP has assisted vulnerable Hawai'i households with electric and gas utility assistance payments

through energy crisis intervention or energy credits. These funds prevent or restore disconnection of service or provide credit to help offset the household's energy burden.

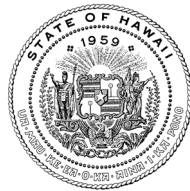
Each year, funding is subject to Congressional appropriation with decreasing allotments in the years leading up to FFY 2020. However, during the COVID-19 pandemic, Congressional action and supplemental funding from various federal Acts allowed DHS to increase income limits to serve more households with record high energy credits, increase energy credit payments, provide a supplemental crisis payment in 2021, and implement complete erasure of utility arrears in FFY 2022 and 2023 for eligible households.

In FFY 2023, DHS received the largest LIHEAP appropriation in program history. In total, \$10.6 million passed through to nearly 8,300 Hawai'i households in the form of direct payments to utility companies. Of these households, 6,137 contained a vulnerable family member: a disabled adult, an adult over 60 years old, or a child under the age of 5.

In the current FFY 2024, the appropriation is \$7.2 million, lower than the past few recent years but higher than pre-pandemic funding. Without further funding, eligible households will have a lower benefit than in the past three years despite facing up to 30% increase in utility costs. The establishment and funding of this program would provide a needed, vital, and stable program for H-HEAP to better serve households and our most vulnerable families that are facing rising energy costs.

Lastly, DHS recommends if the intent for this program is to be an ongoing service, then funding should be appropriated to the Department's base budget or as a general fund appropriation rather than to a special fund account to allow for a more stable and sustained funding source. However, we respectfully request that any appropriation not reduce or replace budget priorities identified in the executive budget.

Thank you for the opportunity to provide comments on this measure.



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON HUMAN SERVICES  
ON  
HOUSE BILL NO. 2739

**February 6, 2024**  
**9:30 a.m.**  
**Room 329 and Videoconference**

RELATING TO ENERGY ASSISTANCE

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 2739: 1) establishes the Hawai'i Home Energy Assistance Program (HiHEAP) within the Department of Human Services (DHS) to assist households with payment of costs associated with meeting an eligible household's home energy needs; 2) establishes the HiHEAP Special Fund (HiHEAPSF) and sets allowable sources of funding and uses of the fund; 3) adds a new duty to the Public Utilities Commission's Public Benefits Administrator to provide information and technical assistance to recipients of HiHEAP; 4) appropriates \$500,000 in general funds for FY 25 for DHS to establish 1.00 permanent and 2.00 temporary full-time equivalent positions and to contract for services to implement HiHEAP; 5) appropriates \$10,000,000 in general funds for FY 25 to be deposited into the HiHEAPSF and \$10,000,000 out of the HiHEAPSF for FY 25 for HiHEAP; and 6) declares that the FY 25 general fund expenditure ceiling will be exceeded by an undetermined amount.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should:

- 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process;
- 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue;
- 3) provide an appropriate means of financing for the program or activity; and
- 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 2739, it is difficult to determine whether the proposed HiHEAPSF will be self-sustaining as there does not appear to be any significant source of revenues to support the HiHEAPSF aside from appropriations from the Legislature, contributions from public or private partners, and interest earned or accrued on moneys deposited into the fund.

Thank you for your consideration of our comments.



**Hawaiian  
Electric**

**TESTIMONY BEFORE THE COMMITTEE ON  
HUMAN SERVICES**

**HB 2739**

**Relating to Energy Assistance**

February 6, 2024

9:30 am, Agenda Item #10

State Capitol, Conference Room 329

Noelle Kakimoto  
Equity, Access & Affordability Manager  
Hawaiian Electric

Dear Chair Marten, Vice Chair Amato, and Members of the Committee,

My name is Noelle Kakimoto and I am testifying on behalf of Hawaiian Electric in support of HB 2739, Relating to Energy Assistance.

The purpose of this bill is to establish the Hawaii Home Energy Assistance Program (“HIHEAP”) within the Department of Human Services to extend funding for qualifying households in need of financial assistance for utility bills. The HIHEAP would complement the current Federal Low Income Home Energy Assistance Program, known as LIHEAP in providing critical fiscal aid for low- to moderate-income families. As Aloha United Way’s 2022 ALICE Report highlights 44% of Hawai’i households living below the ALICE threshold, Hawaii communities across all islands would benefit from ancillary resources to potentially ease or decrease their energy burden, or the percentage of household income going toward energy costs.

Hawaiian Electric supports this bill as it would establish and appropriate funds to our most vulnerable community members in the form of financial assistance and energy

efficient efforts. The bill notes that the Public Utilities Commission Public Benefits Fee administrator may offer information and assistance to encourage more energy efficient homes, which would also positively impact energy usage and costs. Hawaiian Electric supports funding for HIHEAP chartered by legislative appropriations, contributions by individuals or entities, and interest earned or accrued on such moneys instead of seeking additional fees or moneys from ratepayers—further increasing customers' financial burdens. Hawaiian Electric also supports expanding Department of Human Services positions to implement the new program diligently and efficiently.

Accordingly, Hawaiian Electric supports HB 2739. Thank you for this opportunity to testify.



**HB-2739**

Submitted on: 2/4/2024 4:22:10 PM

Testimony for HUS on 2/6/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael L. Markrich	Renew Rebuild Hawaii	Support	Written Testimony Only

Comments:

Aloha,

On behalf of myself and RENEW REBUILD HAWAII I would like to submit testimony

In favor of House Bill [HB2739](#) – Relating to energy assistance.

There are many people who suffer from energy poverty in Hawaii and bills such as this one have been introduced in 8 states as Proportion of Income Payment Programs (PIPP). Because of the high cost of electricity in Hawaii there is great need for a program such as HB2739.

Approximately 1% of the 488,000 households using electricity in Hawaii have difficulty

Paying their electric bills and some can't afford hot water – that is approximately 5,000 households. Assuming that each household has three people – this potentially affects nearly 15,000 people. This number is likely greater because of the tragic Maui Fire.

These burdens fall greatest among renters, the elderly, and the disabled and those who earn less than the Federal Poverty Level. These people can pay up to 15% of their monthly income on electricity.

The added benefit of these kinds of PIPP bills is that they reduce collection costs for utilities.

They work for the benefit of everyone.

Please support this bill

Michael Markrich

President

RENEW REBUILD HAWAII



## HOUSE COMMITTEE ON HUMAN SERVICES

February 6, 2024, 9:30 AM

Room 329

### TESTIMONY IN SUPPORT OF HB 2739

Aloha Chair Marten, Vice Chair Amato, and Committee members:

Blue Planet Foundation **supports HB 2739**, which creates a Hawai'i Home Energy Assistance Program to provide low-income families with electricity bill assistance, crisis assistance to prevent disconnection, home weatherization, and energy related home repairs.

#### Helping Hawai'i save on utility bills and address energy inequity

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According to Aloha United Way, around 44% of Hawai'i's households are living below the ALICE (Asset Limited Income Constrained Employed) threshold, with 15% of these households being below the Federal Poverty Level.<sup>1</sup> Nearly half of Hawai'i's families don't make the income required to afford their basic needs such as housing, transportation, food, medical and child care, and utilities like electricity.

Furthermore, Hawai'i's residents pay the highest electricity rates in the country<sup>2</sup> and electricity bills have increased on every island since 2020, which is especially difficult for low-income families. A 2021 report from the Hawaii Department of Business and Economic Development found that household electricity burden— or the percentage of household income spent on energy bills— is one of the key elements contributing to energy insecurity. The report noted that households below the Federal Poverty Level spent 15% of their income on electricity costs, which was seven times higher than the average spending of overall Hawai'i households.<sup>3</sup> Higher

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<sup>1</sup> Aloha United Way. "ALICE in Hawaii: 2022 Facts and Figures" *Hawaii Health Matters*. November 2022. ([https://www.hawaiihealthmatters.org/content/sites/hawaii/ALICE\\_in\\_Hawaii\\_-\\_2022\\_Facts\\_and\\_Figures\\_Full\\_Report.pdf](https://www.hawaiihealthmatters.org/content/sites/hawaii/ALICE_in_Hawaii_-_2022_Facts_and_Figures_Full_Report.pdf))

<sup>2</sup>Compton, Sophia. "Hawaii has the highest electric bills nationwide in 2022, report finds." *Pacific Business News*. January 6, 2023. (<https://www.bizjournals.com/pacific/news/2023/01/06/hawaii-had-highest-electric-bills-nationwide.html>)

<sup>3</sup> Hawaii Department of Business and Economic Development, Research and Economic Analysis Division. "Electricity Burdens on Hawai'i Households" *State of Hawaii*. July 2021. ([https://files.hawaii.gov/dbedt/economic/data\\_reports/reports-studies/Electricity\\_Burdens\\_on\\_Hawaii\\_Households\\_2021.pdf](https://files.hawaii.gov/dbedt/economic/data_reports/reports-studies/Electricity_Burdens_on_Hawaii_Households_2021.pdf))

energy burdens were found on the neighbor island counties, where electricity costs are higher and household income is lower on average.<sup>4</sup>

Not only are electricity costs increasing, but utility disconnection rates are also growing across the state. Data from the Hawaiian Electric Company shows that utility disconnections for non-payment of energy bills in Hawai'i, Maui, and Honolulu counties were up 22% in 2022 from the previous average (between 2015-2021). The highest rates of disconnection in the state occurred in Honolulu County, with 8% of the state's disconnections happening in Waialua, 6% in Waimānalo, and 5% in 'Ewa Beach. Hilo and Kapa'au accounted for 45% of electricity disconnections in Hawai'i County, while Wailea and Wailuku accounted for 48% of electricity disconnections in Maui County.<sup>5</sup>

From this data, we see that financially burdened, low-income customers are often living in communities that face long-standing socioeconomic disparities, particularly for Native Hawaiians and Pacific Islander families. A state-level Hawai'i Home Energy Assistance program is critical to addressing issues of energy equity, where these disadvantaged communities have been historically marginalized and overburdened by pollution, underinvestment in clean energy infrastructure, and lack of access to energy-efficient housing and transportation.<sup>6</sup>

## What is the Hawai'i Home Energy Assistance Program?

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Hawai'i currently receives federal funding to assist low-income households with paying for their electricity via the Low Income Home Energy Assistance Program (LIHEAP). The current LIHEAP program is administered by the Hawai'i Department of Human Services and offers a one-time payment to households in need every year. LIHEAP funds can be used to assist households in crisis that are facing electric or gas utility disconnection or households who are not in crisis, but need help with bill payment for their home cooling needs. To qualify for LIHEAP, Hawai'i residents need to meet income qualifications of 150% of Federal Poverty Level and/or 60% of state median income.

Unfortunately, LIHEAP offers limited financial assistance and does not meet the needs of Hawai'i's residents. In 2022, Hawai'i received \$7.8M in LIHEAP funds, the least amount of all states and about 50% of the second lowest state. In 2023, Hawai'i received \$11.4M in support<sup>7</sup>, a slight improvement, but still the lowest appropriation in the country. Currently, LIHEAP serves fewer than 9,000 households, whereas the National Energy & Utility Affordability Coalition

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<sup>4</sup> Ibid.

<sup>5</sup> Hawaiian Electric Company. "PBR Scorecards and Metrics, Affordability" *The Hawaiian Electric Company*. Accessed February 2024. (<https://www.hawaiianelectric.com/about-us/performance-scorecards-and-metrics/affordability>)

<sup>6</sup> Pacific Northwest National Laboratory. "Energy Equity" *U.S. Department of Energy*. Accessed February 2024. (<https://www.pnnl.gov/projects/energy-equity>)

<sup>7</sup> Available at:

[https://www.acf.hhs.gov/sites/default/files/documents/ocs/COMM\\_LIHEAP\\_TransferAllocDCLTable\\_StateSTerr\\_FY2023.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/COMM_LIHEAP_TransferAllocDCLTable_StateSTerr_FY2023.pdf)

estimates that Hawaii has 110,000 households eligible for LIHEAP.<sup>8</sup> It is critical that more funds be made available to help bridge this gap.

Senate Concurrent Resolution 242 was adopted in 2022 to direct the Hawaii Public Utilities Commission to convene a working group to create a Hawai'i Low Income Home Energy Assistance Program. Recommendations from the working group included setting up a state-level Hawai'i Home Energy Assistance Program with additional funds to manage an expanded program, provide outreach to reach more eligible customers, and possibly enlarge the program application window. The working group also recommended beyond providing a one-time bill payment or crisis assistance, that a new program require energy efficiency actions, such as weatherization assistance, energy efficiency upgrades, and customer connection with Hawai'i Energy to drive down home electricity costs over the long-term.

We are pleased to see that HB 2739 integrates and puts forth the recommendations from the working group to complement the current federal LIHEAP program and reach more struggling households in the state.

## **Expanding access to home weatherization and energy efficiency upgrades to help meet our climate goals**

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Climate change will have devastating, long-term consequences on Hawai'i's environment, economy, and quality of life. For these reasons and others, the State of Hawai'i has committed to a decisive transition away from fossil fuels. The legislature has passed aggressive carbon reduction goals, including a mandate to achieve 100% renewable electricity by 2045 (Act 97 of 2015), and a goal to be carbon-negative by 2045 (Act 15 of 2018), with an interim goal to achieve a 50% reduction from 2005 levels by 2030 (Act 238 of 2022).

Beyond providing electric bill payment assistance, the Hawai'i Home Energy Assistance program will help low-income households better prepare for climate change impacts. Expansion of the program to allow for home weatherization and energy efficiency upgrades will make homes more comfortable and resilient to rising temperatures and other effects. Allowing funding to be used on home efficiency improvements makes a lot of sense, as energy efficiency remains the most cost-effective way to reduce emissions associated with electricity generation and consumption, while providing financial benefits to Hawai'i residents and businesses during the transition to a clean energy economy.

## **Conclusion**

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As Hawai'i's families grapple with rising costs of living and a high energy burden, economic policies must be prioritized and enacted at the state level to move families beyond living paycheck to paycheck. Energy affordability and equity is a core solution. Hawai'i needs

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<sup>8</sup> National Energy & Utility Affordability Coalition. "Maximize LIHEAP Funding in 2022 - Hawaii By the Numbers" (<https://neuac.org/wp-content/uploads/2022/03/Hawaii-State-Sheet-2022.pdf>)

equitable and implementation-focused policies, like HB 2739, if we hope to achieve our clean energy and climate goals in a way that uplifts all of Hawai'i's residents. A new state-level Home Energy Assistance Program is much needed to support low-income households, reduce energy costs through energy efficiency improvements, and reduce statewide carbon emissions.

Thank you for the opportunity to provide testimony in strong support of this measure.

TESTIMONY OF  
LEODOLOFF R. ASUNCION, JR.  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII

TO THE  
HOUSE COMMITTEE ON HUMAN SERVICES

Tuesday, February 6, 2024  
9:30 a.m.

Chair Marten, Vice Chair Amato, and Members of the Committees:

**MEASURE:** H.B. No. 2739

**TITLE:** RELATING TO ENERGY ASSISTANCE.

**DESCRIPTION:** Establishes the Hawai'i home energy assistance program within the Department of Human Services to assist households in paying their energy bills. Establishes the Hawai'i home energy assistance special fund. Appropriates funds.

**POSITION:**

The Public Utilities Commission ("Commission") supports this measure and offers the following comments.

**COMMENTS:**

The Commission appreciates the intent of this measure to assist households in paying their energy bills and supports the measure by developing the Hawaii Home Energy Assistance Program ("HIHEAP").

In response to 2022 Legislative resolutions (S.C.R 242, S.R. 133, and H.R. 43) the Commission convened a working group in September 2022, in collaboration with the Consumer Advocate to "create a Hawaii Low Income Home Energy Assistance Program to assist low-income households with paying for their home energy." The Working Group met monthly through December 2022, resulting in a report to the Hawaii State Legislature with findings and recommendations for the creation of a state equivalent to the Federal Low Income Home Energy Assistance Program ("LIHEAP") in Hawaii.

The Working Group included a diverse set of stakeholders - electric and gas utilities, state agencies, county representatives, and others. The Working Group was able to develop broad consensus for the program contemplated in this measure

The Commission observes that this measure would lead to improvements in utility bill assistance in at least three ways. First, this measure allows the Department of Human Services ("DHS") to develop rules to implement HIHEAP. This would allow DHS flexibility

to determine the appropriate eligibility criteria. Federal LIHEAP has strict eligibility guidelines that may not fit the context of Hawaii, such as use of federal poverty level guidelines. The flexibility afforded by this bill could also allow DHS to target certain demographics, such as Maui residents affected by wildfires.

Second, this measure pairs energy assistance with energy efficiency. By ensuring that recipients receive energy efficiency assistance and education, those households will not only receive immediate support in paying their electricity bill, but also the opportunity to make their home more energy efficient. This allows beneficiaries to reduce their energy needs and complements the energy assistance to reduce the overall and longer-term need for such assistance.

Third, the funding levels in this measure will ensure that DHS has the capacity to carry out this program. Current federal LIHEAP funding is constrained by the mismatch between a relatively high number of eligible households and a single employee tasked with administering LIHEAP. This measure adds one full-time equivalent position and two temporary full-time equivalent positions which will increase both the efficacy and reach of the program.

Thank you for the opportunity to testify on this measure.



**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT GOVERNOR



**Hawaii Green Infrastructure Authority**

An Agency of the State of Hawaii

**JAMES KUNANE TOKIOKA**  
CHAIR

**GWEN S YAMAMOTO LAU**  
EXECUTIVE DIRECTOR

Testimony of  
**Gwen Yamamoto Lau**  
Executive Director  
**Hawaii Green Infrastructure Authority**  
before the  
**HOUSE COMMITTEE ON HUMAN SERVICES**  
February 6, 2024, 9:30 AM  
State Capitol, Conference Room 329  
in consideration of  
**HOUSE BILL NO. 2739**  
**RELATING TO ENERGY ASSISTANCE**

Chair Marten, Vice Chair Amato, and Members of the Committee on Human Services:

Thank you for the opportunity to testify and provide comments on House Bill No. 2739, relating to energy assistance. The Hawai'i Green Infrastructure Authority (HGIA) **supports** this bill which establishes a home energy assistance program under the Department of Human Services to assist energy burdened households with paying a portion of their energy bills, energy crisis payments, weatherization, energy efficiency improvements, and energy-related home repairs, while also providing energy efficiency information and energy audits for recipients.

This program will complement HGIA's goals of promoting equitable and affordable energy through green energy financing. HGIA's Green Energy Money Saver (GEM\$) program aims to reduce low- and moderate-income households' energy bills through PV+storage, either as a lease, or as a loan repaid on the ratepayer's utility bill.

This program could also provide an option for ratepayers unable to install solar such as renters in multi-family projects or households with energy bills too small for solar to be cost-effective. While the Federal Low-Income Home Energy Assistance Program serves a similar purpose, unfortunately, while Hawaii residents pay the highest electricity rates in the nation, our state receives the lowest amount in federal funding for this program due to outdated formulas that rely on heating needs, but not energy prices.

While HGIA's participants typically see energy savings due to shifts to renewable energy production, this program complements our efforts by encouraging savings from reduced energy use. The requirement for information and technical assistance related to energy efficiency, as well as energy audits and the implementation of energy efficiency improvements will enable recipients to consume less energy from the grid and pay lower bills. This will build on HGIA's efforts to promote energy literacy among our participants.

Thank you for this opportunity to testify in support of House Bill No. 2739.



Before the House Committee on Human Services  
Tuesday, February 6, 2024 at 9:30 a.m.

Testimony in Support of HB2739: Relating to Energy Assistance

Chair Marten, Vice Chair Amato, and Members of the Committee:

Thank you for the opportunity to testify in support and provide comments on House Bill 2739.

Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future. Energy efficiency – the energy we do not use – is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

This bill would establish the state-level Hawai'i Home Energy Assistance Program (HIHEAP) to supplement the support our residents currently receive from the federal-level Low Income Home Energy Assistance Program (LIHEAP). LIHEAP, which provides assistance to families nationwide via a one-time payment to help with energy costs, unfortunately has limited reach in Hawai'i. According to the Hawaii state LIHEAP working group, created by the adoption of Senate Concurrent Resolution 242 in 2022 and convened by the PUC, fewer than 9,000 Hawai'i households received LIHEAP assistance in 2020, or roughly *two percent* of our residents who potentially qualify for energy assistance based on income.

Funding for states from LIHEAP is determined by a formula that is heavily weighted for states with large heating needs and does not account for specific electricity prices, and consequently Hawai'i consistently receives the least funding amongst the 50 states by a large margin. According to the Department of Health & Human Services, which administers LIHEAP, Hawai'i received about \$11.4 million in LIHEAP funds in FY23, the lowest of any state allocation. In total, LIHEAP awarded more than \$6 billion to states, tribes & territories in FY23.

Given that Hawai'i has the highest electricity rates in the country, yet receives the least amount of support for its residents from LIHEAP, the need for a state-level program to supplement energy assistance for Hawai'i families is clear. Hawai'i Energy applauds the legislature's efforts to support our residents in need of energy assistance, and we look forward to our program's direct role in ensuring the effectiveness of HIHEAP as we all work together to lessen the burden of high energy costs on our eligible households in any way we can.

Thank you for the opportunity to testify in support of House Bill 2739.

Sincerely,  
Caroline Carl  
Executive Director  
Hawai'i Energy